

27 October 1955

MEMORANDUM FOR:

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SUBJECT: Bureau of the Budget Comments

The OCB as such is not supposed to provide much guidance for CIA's clandestine program. Since March of this year, OCB has had no guidance function. The NSC assigned the functions previously performed by OCB to PCG. Since the adoption of NSC 5412 in early 1954, the responsibility first of OCB and later of PCG was to be advised in advance of major covert programs and to be the normal channel for giving policy approval for such programs. It is not correct that matters have been discussed with the OCB, or PCG, only when a release of funds from the reserve was needed. The DCI has discussed a number of projects and programs first with OCB and later with PCG which did not involve any such release. It might be noted that there is no formal requirement that the DCI obtain the concurrence of OCB or PCG in connection with releases from the reserve.

The NSC directive governing CIA provides that CIA covert operations should be consistent with foreign and military policy and that such guidance should be obtained through specially designated representatives of the Secretaries of State and Defense. This is the well established liaison mechanism which has been functioning for years and which is the normal channel through which CIA receives guidance.

It is not my understanding that CIA representatives in OCB working groups "are essentially silent observers." I believe that they participate fully in the discussions of the problems before the working groups, even though they do not discuss covert operational matters. The working group meetings are of benefit

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to them as indicating actions of other government departments and as a forum in which they can get clarification or amplification of United States policies. It might also be noted that CIA representatives bring to the preparation of progress reports and other papers, the views of the appropriate intelligence officers in CIA.

There is no particular reason why the Bureau of the Budget should be well informed on this matter. Their representatives do not attend the working groups, except in rare cases, nor the Board meetings.



Special Assistant to the Director

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SA/DCI/[redacted]  
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